GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2301
ANSWERED ON:09.05.2016
Performance of Small and Medium Industries
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a recent report by the Quality Council of India has presented a dismal picture of the country''s small and medium industries and if so, the details thereof;

(b) whether as per the report, most of the MSMEs don''t even qualify to be rated on the quality standard and only small percentage of companies received bronze, silver and gold marking and if so, the details thereof;

(c) whether the majority of MSMEs has reported unskilled work force as the major problem and if so, the details thereof;

(d) whether the industries have singled out outdated technologies as a reason behind dismal performance and whether 38 per cent industries raised concern over funding procedures and if so, the details thereof along with the reaction of the Government thereto; and

(e) whether the Government has taken any remedial steps in this regard and if so, the details thereof?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a): Quality Council of India (QCI) has submitted a National Pilot Report on "ZED (Zero Defect Zero Effect) Maturity Assessment Model focusses on improving the processes of MSMEs through its 5 level rating based on 50 parameters. The report however does bring out various issues the MSME sector is grappling with in terms of quality of process and environment issues.

(b): The ZED Maturity Assessment Model Pilot Report was aimed at testing the Model on a sample set of 64 MSMEs across sectors & regions in MSMEs under 25 sectors of Make in India and cannot be generalized for overall MSMEs in India. The final assessment highlights that about 72% of the pilot MSMEs did not receive any rating while only about 28% companies received a rating in bronze, silver and gold categories. It points out to the urgent need of national scale assessment and handholding of MSMEs through ZED scheme.
(c): One of the major concerns expressed by MSMEs is the non-availability of skilled human resources.
(d): Access to technology, finance, regulations and inspections are other major concerns expressed by the MSMEs.

(e): MSMEs are the engine of growth of economy. ZED Maturity Assessment Model is prepared to help the industry improve their quality and competitiveness in the global market and give support to the Make in India initiative of the Government by providing incentives to MSMEs to undergo assessment and handholding for improving their processes. ZED Certification would be used to reduce inspections and making it easier for MSMEs to do their business. The analysis of assessment data for pilot MSMEs indicates opportunities for improvement which can be incorporated during the national roll out.
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